

HOUSE BILL No. 1766

DIGEST OF INTRODUCED BILL

Citations Affected: IC 8-1-2-4.5; IC 8-1-8.9.

Synopsis: Utility reconnection fees and deposits. Provides that the amount charged by a utility, other than a telecommunications provider, to reconnect service may not exceed actual reconnection costs. Requires a utility to reconnect service within one calendar day after being requested to reconnect service. Provides that an electric or a gas utility may require the payment of a deposit by an applicant or a customer as a condition for receiving or reconnecting utility service only as allowed under rules adopted by the utility regulatory commission (IURC). Provides that the amount of a deposit may not exceed 1/12 of the estimated annual cost of the utility service to be provided. Directs the IURC to amend certain rules to the extent necessary to make the rules conform to the prescribed requirements.

Effective: Upon passage.

Smith V

January 26, 2007, read first time and referred to Committee on Commerce, Energy and Utilities.

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Introduced

First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

HOUSE BILL No. 1766

A BILL FOR AN ACT to amend the Indiana Code concerning utilities and transportation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 8-1-2-4.5 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: **Sec. 4.5. (a) As used in this section, "utility"**
4 **refers to a public, municipally owned, or cooperatively owned**
5 **utility that provides electric or natural gas utility service to**
6 **customers. The term includes a utility owned or held in trust by a**
7 **consolidated city under IC 8-1-11.1.**

8 **(b) A utility may impose a reasonable and just reconnection**
9 **charge. The charge may not exceed the costs actually incurred by**
10 **the utility in reconnecting service. A rule or charge contrary to this**
11 **subsection is void.**

12 **(c) A utility must reconnect service to a customer as soon as**
13 **reasonably possible, but not more than one (1) calendar day after**
14 **the utility is requested to reconnect service. However, before**
15 **reconnecting service, the utility may require payment of a deposit**
16 **under IC 8-1-8.9 and other charges. A deposit under IC 8-1-8.9 is**
17 **in addition to a charge imposed under subsection (b).**

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(d) The commission shall adopt rules under IC 4-22-2 to implement this section.

SECTION 2. IC 8-1-8.9 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 8.9. Customer Deposits for Electric or Natural Gas Utility Service

Sec. 1. As used in this chapter, "applicant" means a person who applies to receive electric or natural gas utility service as a customer of a utility.

Sec. 2. As used in this chapter, "budget billing plan" refers to an alternative billing method that:

- (1) is offered by a utility to a customer;
- (2) bills the customer in equal monthly installments, with each installment equaling the estimated average monthly amount owed to the utility by the customer over a twelve (12) month period; and
- (3) balances the customer's account at the end of the twelve (12) month period on which the monthly bill amount is estimated so that:

(A) the customer is given a refund or credit for any excess amount paid by the customer over the twelve (12) month period, if the actual amount owed by the customer over the twelve (12) month period is less than the estimated amount paid over the twelve (12) month period; or

(B) the customer is charged for any deficiency, whether in a one (1) time settlement or in payments spread out over one (1) or more future bills, if the actual amount owed by the customer over the twelve (12) month period is more than the estimated amount paid over the twelve (12) month period.

Sec. 3. As used in this chapter, "commission" refers to the Indiana utility regulatory commission created by IC 8-1-1-2.

Sec. 4. (a) As used in this chapter, "customer" means a residential customer that receives electric or natural gas utility service from a utility.

(b) The term includes the following:

- (1) A customer that receives home energy assistance through a program administered by the lieutenant governor under IC 4-4-33.
- (2) A building (as defined in IC 8-1-2-36.5(a)) served by a master meter, as described in IC 8-1-2-36.5.

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1 **Sec. 5. (a) As used in this chapter, "utility" refers to a public,**
 2 **municipally owned, or cooperatively owned utility that provides**
 3 **electric or natural gas utility service to customers.**

4 **(b) The term includes a utility owned or held in trust by a**
 5 **consolidated city under IC 8-1-11.1.**

6 **Sec. 6. As used in this chapter, "utility service" refers to electric**
 7 **or natural gas utility service that is:**

8 **(1) provided by a utility to a customer; and**

9 **(2) subject to regulation by the commission.**

10 **Sec. 7. (a) Subject to subsections (b) and (c), a utility may**
 11 **require the payment of a deposit by an applicant or a customer as**
 12 **a condition for receiving utility service, including the reconnection**
 13 **of utility service, only:**

14 **(1) under the circumstances allowed by; and**

15 **(2) in accordance with the procedures prescribed by;**
 16 **the commission in a rule adopted under IC 4-22-2, as provided in**
 17 **IC 8-1-2-34.5(a)(3).**

18 **(b) Except as provided in subsection (c), the amount of a deposit**
 19 **allowed under subsection (a) may not exceed one-twelfth (1/12) of**
 20 **the estimated annual cost of the utility service to be provided to the**
 21 **applicant or customer. The limit described in this subsection**
 22 **applies regardless of:**

23 **(1) the number of customers served by the utility or an**
 24 **affiliate of the utility; or**

25 **(2) whether the utility provides electric utility service or**
 26 **natural gas utility service, or both.**

27 **(c) If a customer has contracted for a budget billing plan, the**
 28 **amount of the deposit allowed under subsection (a) may not exceed**
 29 **the equivalent of one (1) monthly budget billing payment.**

30 **Sec. 8. (a) To the extent that they conflict with this chapter, the**
 31 **following are void:**

32 **(1) 170 IAC 4-1-15.**

33 **(2) 170 IAC 5-1-15.**

34 **(3) Any other rule:**

35 **(A) adopted by the commission; and**

36 **(B) governing deposits charged by a utility to an applicant**
 37 **or a customer as a condition for receiving utility service.**

38 **(b) The commission shall adopt rules under IC 4-22-2 to amend**
 39 **the rules described in subsection (a) to the extent necessary to**
 40 **make the rules conform to the requirements of this chapter.**

41 **SECTION 3. An emergency is declared for this act.**

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